

DOCKET FILE COPY ORIGINAL

ORIGINAL

BEFORE THE

Federal Communications Commission

RECEIVED

WASHINGTON, D.C. 20554

FEB 18 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
The Establishment of Commission) MD Docket No. 93-297
Rules concerning the)
Administration of Accounting)
Authorities in the Maritime)
Mobile and the Maritime)
Mobile-Satellite Radio Services)
Except for Distress and Safety)
Communications)

To: The Commission

**REPLY COMMENTS
OF
EXXON COMMUNICATIONS COMPANY**

Exxon Communications Company ("Exxon"), by its attorneys, hereby submits its Reply Comments in response to the comments filed by other parties in response to the Notice of Proposed Rule Making ("NPRM") issued in the above-captioned proceeding.

1. In its Comments, Exxon limited its discussion of the NPRM to three issues: the proposed application procedures for accounting authorities, the proposed reporting requirements for accounting authorities, and the suggestion that accounting authorities may be obligated to act as common carriers. Specifically, Exxon argued that:

(1) current accounting authorities should be exempted from

No. of Copies rec'd
List ABCDE

049

the proposed application procedures or, in the alternative, be subject to streamlined application procedures;

(2) inventory reports should be required only upon a change in inventory; (3) the annual statistical report should apply only to accounting authorities settling accounts for unaffiliated entities; and (4) accounting authorities should not be required to act as a common carrier. To the extent that other parties addressed these issues in their comments, Exxon offers a brief response.

2. Several parties commented on the proposed reporting requirements. Both Global Communications Corporation and COMSAT Corporation ("COMSAT") argued that the annual reports proposed by the Commission be required on a quarterly or even monthly basis.^{1/} As Exxon argued in its Comments, the annual reporting requirement is burdensome and, in the case of an accounting authority such as Exxon which processes settlements for its own vessels only, has limited utility. In this regard, Exxon agrees with the comments of Mobile Marine Radio, Inc. which question the Commission's need for the reported information.^{2/} If the annual statistical report is to be required, it should apply

^{1/} See Comments of Global Communications Corporation at p. 20; COMSAT Corporation at pl. 13.

^{2/} See Comments of Mobile Marine Radio, Inc. at p. 4.

only to accounting authorities settling accounts for unaffiliated entities. However, should the Commission impose this reporting requirement on all accounting authorities, reporting should be required on an annual basis only.

3. COMSAT urged the Commission to adopt stricter financial requirements for applicants for accounting authority.^{3/} As Exxon stated in its Comments, a formal financial showing should not be necessary for an authorized accounting authority. Such a requirement is particularly burdensome and inappropriate with respect to an entity which settles accounts solely for its own vessels. Formal application procedures are unnecessary for grandfathered accounting authorities which have already demonstrated their qualifications. However, if the Commission nonetheless chooses to require such entities to comply with the proposed application procedures, and chooses to require a formal financial showing as part of those requirements, the information required should be limited to no more than that proposed by the NPRM, and should not encompass the additional showing requested by COMSAT.

^{3/} Comments of COMSAT at p. 7.

4. COMSAT also suggested that the Commission give no licensing preference to existing accounting authorities. It argued that "[a]ll applicants for certification should have an equal opportunity to apply for an accounting authority authorization and should be subject to same application procedures and the same level of scrutiny by the Commission and the public."^{4/} What COMSAT fails to recognize is that all applicants do have an equal opportunity to apply for an accounting authority authorization. There is no shortage of available accounting authority identification codes. Any entity that wishes may apply for and obtain such a code. To utilize a first come first served procedure with priority given to grandfathered accounting authorities will thus injure no one. Nonetheless, if unexpectedly there is an unusually large number of applicants for accounting authority as a result of adoption of the new rules, it is only fair to allow grandfathered accounting authorities to retain their status. Any action to the contrary would prove extremely disruptive to existing accounting procedures.^{5/}

^{4/} Id. at pp. 6-7.

^{5/} To the extent that the Commission does adopt rules that could result in the denial of an application for accounting authority by a grandfathered entity, Exxon agrees with the comments of SAIT Communications that cancellation of such authority should not be automatic, and that the rules should provide procedures for the appeal of such a determination. See Comments of SAIT Communications at p. 1.
(continued...)

5. In its comments, Mackay Communications ("Mackay") suggested that the Commission consider requiring accounting authorities to offer their services to any U.S. flagged vessel, not just vessels that the applicant may own directly or indirectly.^{6/} Mackay provides no basis for such a proposal. An accounting authority such as Exxon that settles accounts for its own large fleet of vessels serves the public interest. To restrict accounting authority to those entities that settle international accounts on a common barrier basis is arbitrary and contrary to the public interest.

6. Mackay also proposed that the Commission consider prohibiting owners of coast stations or coast earth stations from serving as accounting authorities.^{7/} Again, Mackay has provided absolutely no rationale for such a suggestion. There is no basis that Exxon can conceive of for such a requirement. Any limitation on coast station or coast earth

^{5/} (...continued)

Procedures should also be adopted for the pro-forma transfer of control of accounting authority.

^{6/} Comments of Mackay Communications at p. 2.

^{7/} Id.

station ownership by an accounting authority would be entirely arbitrary and contrary to the public interest.

WHEREFORE, THE PREMISES CONSIDERED, Exxon Communications Company respectfully requests that the Federal Communications Commission take action in a manner consistent with the views expressed herein.

Respectfully submitted,

EXXON COMMUNICATIONS COMPANY

By: Michael R. Bennet
Wayne V. Black
Michael R. Bennet

Keller and Heckman
1001 G Street, N.W.
Suite 500 West
Washington, D.C. 20001
(202) 434-4100

Its Attorneys

Dated: February 18, 1994